The Honorable Orrin Hatch
United States Senate
104 Hart Office Building
Washington, DC 20510

Basel, Switzerland, 15 April 2015

Re: Changing US Tax code to Residency-Based system

Dear Senator Orrin Hatch,

I am writing, as a private citizen as well as a member of the American Citizen's Abroad organization, to ask that you consider ***changing to a Residency Based Taxation system*** as the Senate Finance Committee attempts to simplify the US tax code.

I am a US-born, American citizen who has had the fortune of living and working in many countries. I am proud to be an American and would like to think that my example and the manner in which I integrate into various societies, I am acting as an ambassador for our principles.

The current US tax code as well as the FATCA reporting requirements place an undue burden on millions of US citizens similar to me and are no longer in line with principles of freedom and fairness that the US represents.

Below are several aspects of how the US tax code as well as the FATCA requirements are onerous to my family and me.

Double taxation - Despite the bilateral taxation agreements between the US and many of the countries where I have lived, I have ALWAYS ended up paying additional taxes to the US - even though these countries have higher tax rates than the US.

Burden of filing – Although I do not own a home, do not invest (see FATCA below) and have no debts, my US tax filing ends up being 80-100 pages and requires a massive preparation effort. This is, of course, in addition to the local tax declaration which must also be prepared.

Financial cost of filing – Due to the complexity of the US tax code, the interplay of US and other country tax systems and the fear of suffering the consequences of filing incorrectly, I have had to rely on tax advisors to complete my US filing. As an example, the cost over the last 3 years of having a tax expert preparing my tax filings has cost over USD10'000 per year.

Inability to invest savings due to FATCA requirements – As a result of the onerous FATCA reporting requirements as well as the perceived risk to any bank of having a US citizen, I have found it extremely difficult to get any financial advice on how to best invest and save. As a result, I am not able to invest my savings to pay for my children's education and my eventual retirement. I consider myself lucky to even have a bank account as banks do not want the risk and burden of a US citizen.

I am also concerned as to whether any bank would be willing to extend me a loan the day I might wish to buy a home.

Limited ability to build a pension – As the US tax authorities do not recognize many types of foreign pension programs, I am not able to build a proper pension in my "home" country. Not only would any pension contributions need to be taken from my net earnings, any benefits accrued in these pension programs would most likely be taxed, further undermining any ability to accumulate a pension for my old age.

Complex and uncertain estate planning – I am married to a European national and have 2 teenage children. Given the complexity of having to manage US tax code as well as laws of where ever we are living, I fear that most of my estate would not be available to my wife and children the day I pass away.

During your deliberations on how to simplify the tax code, I ask that you change to a residency-based taxation as suggested by the Americans Citizens Abroad and eliminate the FATCA requirements for US citizens holding bank accounts in their country of residence.

Kind regards,

Peter Braun
[redacted]
Switzerland

Formerly of:
[redacted]
Bryn Mawr, PA 19010